



We offer great benefits at Circuit City. By listening to our associates, we learned about the benefits that were most important to them and to their families. We used what we learned to create a well-rounded, competitive benefits solution that includes Medical, Prescription Drugs, Dental, and Vision Care plans, flexible spending accounts, life insurance, a 401(k) Plan, and more.

Circuit City Benefits

In addition to traditional health and welfare benefits, we have a comprehensive benefits package designed to enhance your life. Here are just some of the benefits available to our associates:

Adoption Assistance: Provides partial reimbursement for adoption-related expenses

Associate Advantages program, from YouDecide: Offers Circuit City associates savings on a wide variety of products and services – from auto insurance to child care, movie tickets, and more

Banking Services: Include direct deposit and credit union services

Business Travel Accident Plan: Provides coverage while associates are on business travel anywhere in the world

Educational Assistance Program: Gives associates consideration for educational assistance reimbursement

Employee Stock Purchase Plan: Allows eligible Circuit City associates to buy Circuit City Common Stock through payroll deductions

Domestic Partner benefits: Include health care coverage, dental coverage, and vision care for domestic partners and their children – Note: This benefit is not applicable to all plans we offer





Short-term Disability (STD) Plan: Associates may be eligible to receive benefits to replace part of their income while out of work due to a medical condition.

Long-term Disability (LTD) Plan: Provide financial assistance to eligible participants who are unable to work due to a medical condition that lasts more than 26 weeks – full-time associates may enroll for a small fee (determined by age).

Life Insurance Plan: Includes company-paid basic coverage, and provides options to elect additional coverage through payroll deductions.

GlobalFit Fitness Program: Offers discounts to local fitness clubs.

Real Estate Assistance: Provides benefits and support when buying or selling a home

Lifeworks® Employee Assistance Program: Offers access to professional resources for confidential consultation and short-term counseling on everyday issues

The Associate Advantages program, from YouDecideSM, is the Circuit City associate discount purchasing program. You can save on a wide variety of products and services – from auto insurance to child care, movie tickets, and more.

Associate Discounts: We sell great stuff, too. Associates are eligible for Associate Discounts on in-store products as well as discounts on services like firedogSM installations and Circuit City AdvantagesSM.

Some programs require a contribution from associates to participate. Visit our Web site at www.mycircuitcityhr.com/benefits to learn more about eligibility and enrollment requirements.



benefits

Eligibility



Full-time and Part-time associates are eligible to participate in:

- The Associate Discount, Medical, Vision, Dental, Flexible Spending Accounts, Basic Life Insurance, Supplemental and Dependent Life Insurance, AD&D, and the 401(k) Plan. All associates are also eligible for Lifeworks®, banking services, and the Real Estate Assistance Program (REAP) - these do not require enrollment forms.
- You must complete an online enrollment form on mycircuitcityhr.com for Medical, Dental, Vision, Flexible Spending Accounts, Supplemental Spouse and Child Life Insurance, and the 401(k) Plan.
- You must re-enroll every year for the Flexible Spending Accounts and you must use the full amount set aside, by the end of the year, or you forfeit those funds.
- There are no required enrollment forms for the Associate Discount.

It's important that you understand all of our Benefits, since you may change your employment status at some point during your career at Circuit City.

For more information about benefits eligibility and enrollment, go to www.mycircuitcityhr.com/benefits or contact the Associate Service Center at (800) 288-6353.

Important Notes About Our Benefits

The benefits described in this handbook do not constitute or imply employment contracts or any other contractual obligations between the Company and its associates and/or other individuals eligible to participate in our benefit programs.

In the event of any contradiction between the information appearing in this handbook and our Summary Plan Descriptions, Plan documents or Company policies, the Plan documents and Company policies will prevail.

The Company reserves the right to amend or terminate any of these benefit programs without the consent of or notice to associates and/





or other individuals eligible to participate in these programs. The Company maintains these programs by choice, not obligation.

Time Away - Salaried Associates

The Time Away program applies to salaried associates only. Time Away refers to being away from work during normal working hours for reasons of a "personal" nature, during which the associate is paid at his or her regular rate of pay. Included under Time Away are personal time for rest and relaxation, personal business, sick days (time off for medical reasons not in excess of five consecutive days), and funeral leave. At termination of employment, a salaried associate is not due any pay for unused Time Away because Time Away is not accrued.

For additional information, refer to the Time Away SOP.

Paid Time Off (PTO) - Hourly Associates

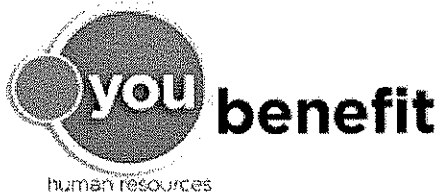
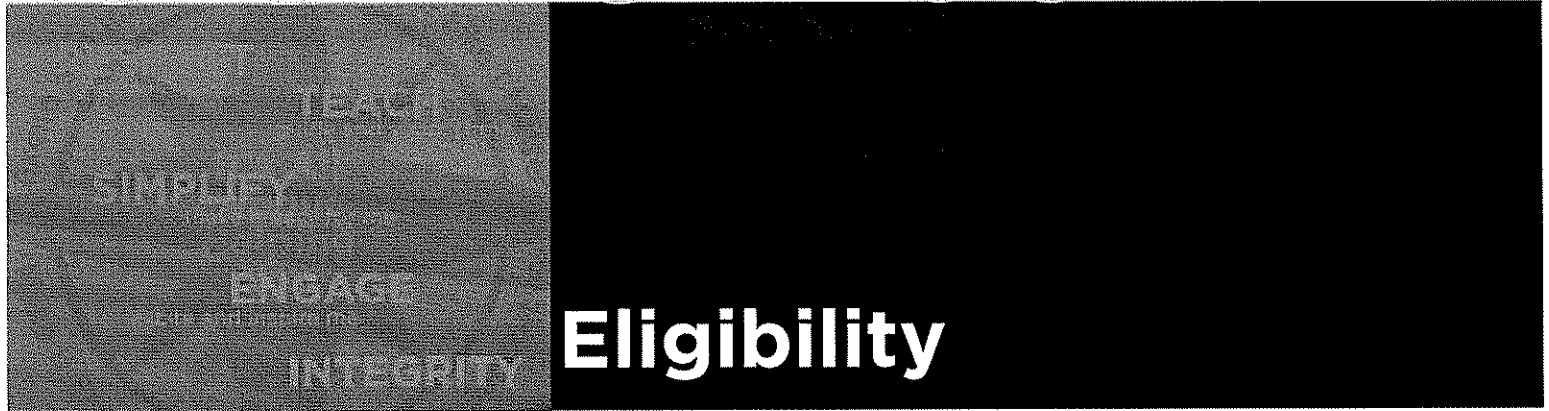
The purpose of PTO is to afford hourly associates the opportunity to take paid time off from work during regularly scheduled work hours for personal time for rest, relaxation, personal business, sick time and holidays. The associate is paid at his/her regular rate of pay while on PTO.

When time off due to sickness or other medical reasons exceeds five consecutively scheduled work days, please refer to the Short Term Disability section in the Associate Leave Policy.

Who is eligible for PTO?

- All regular full and part-time hourly associates with 90 days or more service with the Company. Accruals begin the first pay period following 90 days of continuous service.
- Associates who are promoted to a salaried position will immediately become eligible for Time Away and will forfeit any accrued PTO balance. If an associate moves back to an hourly position, PTO will not be reinstated, but rather he or she will begin accruing again.
- Associates who move from a salaried position to an hourly position and who have already met the 90-day eligibility requirement





will begin accruing PTO with the first hour worked as an hourly associate. Associates who have not met the 90-day eligibility requirement will begin accruals of PTO in the first pay period after 90 days of service.

For both Time Away and PTO, associates are expected to behave responsibly in requesting time off, taking into account departmental workloads and seasonal demands. Time off from work for reasons of a personal nature is subject to manager approval.



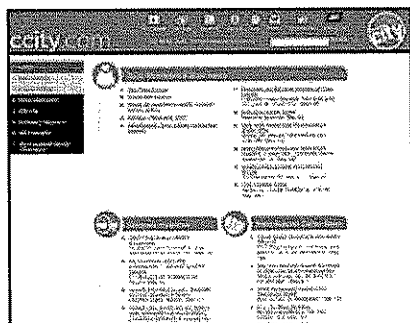


Open Communication

To work as an effective team, we must have open and honest communication flowing in both directions. In order to achieve our goal, we offer several avenues of communication possibilities.

Communication Meetings

- Communication meetings are intended to let associates know about changes within the Company, new policies and procedures, etc.
- Associates are encouraged to attend these meetings in order to stay informed about Company news.



ccity.com

- Our Intranet home page, ccity.com, is a central online resource for Company and associate information. It is accessible on our network, through your web browser or Lotus Notes.

The Associate Forum

- Whether you work in one of our stores, in a regional office, or a distribution center the Associate Forum is for all Circuit City associates. It's where we meet to create a community of associates to talk about the products, the technology, the trends, and the fun of helping our customers. You can access it from the link on the front page of ccity.com. You are already pre-registered and ready to go. Simply add your comment to an existing topic, or start a new topic. You'll quickly find yourself talking with store associates as well as members of our extended teams at the Store Support Center in Richmond and beyond. It's where we have fun and work together to make things better, one thread at a time.

Performance Evaluation

- Performance Evaluations are opportunities for you to receive feedback from your supervisor on your performance. This process provides all associates the opportunity to measure and document job performance based on an objective criteria. It includes: regularly discussing performance to identify actions that can improve it;





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discussing developmental opportunities; managing performance issues; recognizing and rewarding outstanding performance.



SpeakUp! Associate Engagement Survey

- SpeakUp! surveys are conducted each year to give you an opportunity to confidentially share feedback on many topics. Once our survey administration partner communicates the results of each survey, teams throughout the company develop action plans to improve in areas that your feedback tells us mean the most to you.

Open Circuit Line

- The Open Circuit Line is a phone line reserved for calls from associates who wish to express concerns regarding issues that cannot be resolved by their manager or others they have contacted for assistance.

Open Door Policy

- Step 1:** If you have a problem, we encourage you to discuss it with your immediate supervisor or manager.
- Step 2:** If the problem is not resolved appropriately, talk to the next level manager.
- Step 3:** If you feel these two steps haven't helped, contact your Human Resources representative directly or via the Open Circuit Line (877) 224-7284.
- Step 4:** If you feel your issue is still not being addressed: Contact the Issue Resolution Office (IRO) at (877) 622-5547, or contact a member of senior management.

While we encourage associates to contact their immediate supervisor or manager as a first step in the Open Door Policy, you may call the Open Circuit Line number or your Human Resources Manager at any time if you have an issue or concern that you may not be comfortable discussing with location management. The Open Door Policy is available to you at all times.

If you have any questions please reference the Open Door SOP.





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Retaliation

- Retaliation for using the Open Door Policy, reporting discrimination or harassment, or participating in an investigation of a discrimination or harassment complaint will not be tolerated.
- If you feel you have suffered from retaliation, please report it to your Human Resources representative either directly or through the Open Circuit Line.

Associate Dispute Resolution Process

- Arbitration: An associate may choose to use the arbitration process if an employment-related legal dispute cannot be resolved through use of the Open Door Policy. The Dispute Resolution Rules and Procedures govern this process. If you have an employment concern, and you are not satisfied with the response you received, you may contact the Arbitration Hotline (804) 486-4000 ext. 68912.

For more information on this process, review your Issue Resolution Procedures through e-learning.

Pro-Associate Position

- At Circuit City, associates are viewed as the company's single largest asset. We believe that the most productive work environment is one where the associate and the Company are free to communicate without the need for a third party. Our practice of employment promotions based on merit and potential, as well as pay tied to performance is the best way to operate our business.

Our Open Door Policy assures associates that they will always have an avenue to address workplace issues and concerns. Consequently, we do not believe that there is a need for a third party. In fact, when given the opportunity to choose, our associates have overwhelmingly agreed by voting not to be represented by a third party. They agreed that third parties cannot do anything for our associates that they cannot do for themselves.

Our position at Circuit City is that unions are not needed. We are





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not anti-union, we are pro-associate. So, if you are contacted by a union representative, we strongly encourage you not to sign a union authorization card. It is important that you obtain all the facts before making the important decision to sign such a card.

If you have any questions, you should immediately contact your manager and a Human Resources representative.

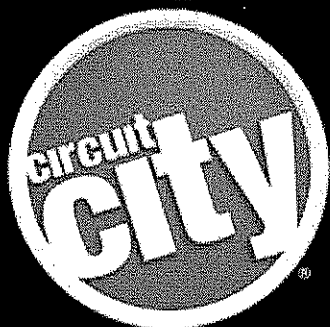
Other Important Phone Numbers

Asset Protection Alert Line: (800) 296-4948

Ethics Hotline: (800) 296-4948

Employment Verification Services (EVS): (888) 407-0439





What to Expect

Wherever you work within Circuit City, you will share some common experiences over the first few weeks in your new job.

The specifics will vary depending on your particular job and your team, but you can expect to go through a new associate process which includes orientation, training, and generally getting to know where you and your position fit within the organization.

You'll also begin to understand your job responsibilities, and how you will contribute to your own success, and the success of the company.

Orientation

Beginning the day you were hired as a Circuit City associate, you have been experiencing your orientation. Orientation activities include:

- Completion of critical paperwork and forms
- Introduction to the management team and associates in your department
- Department, location, or store tour
- Learning key policies and procedures

Development Plan

You will complete a customized orientation plan, depending on your position and department. For store associates and Service Technicians, this will include an online (e-Learning) Development Plan. For others, this may be a formal schedule of specific activities to be completed within the first several weeks.

Ongoing Development

As with your orientation plan, your ongoing development will be customized for your position, department and current skill level. For every job at Circuit City, learning your new job generally consists of a combination of electronic training, the learning/mentoring provided by your manager and fellow associates and hands-on skill application. Keep in mind that whichever type of associate development activities you participate in, you'll never stop learning at Circuit City. Our learning ratio supports your ongoing development via 70% action learning, 20% feedback, and 10% classroom.





development

Personal Development

Circuit City is committed to helping you grow and develop. One of the resources available to support your career growth is mycareer, our online career site that provides information about the company's career stages, career paths, recommended development activities, associate success stories and more. This site is updated regularly, so visit it often. You can access mycareer via ccity.com, under the HR and Benefits section.

Management Development Program

Management Interest Form (MIF), Stores only

The Management Development Program allows associates to focus on their career development by completing a structured online certification. To qualify, associates must be in good standing, provide great customer service, and achieve the goals of their current position.

An associate can be selected to participate in the program in the following ways:

- Store Director or District Manager initiates the process by asking the associate to participate.
- Associate nominates him or herself by submitting a Management Interest Form to the Store Director.

Once selected, associates will be assigned a mentor and follow an online certification that will prepare them for the challenges of a management career.

For more information, consult course nj8039: "Management Development at Circuit City."

Internal Transfer Request (ITR)

A transfer can be a promotion or lateral transfer. To be considered for a transfer to an open position, an associate must meet the following requirements:

- Field hourly associates should have completed a minimum of six (6) months of service in their current position.





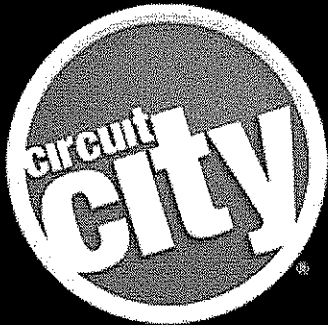
Personal Development

- Non-Store hourly associates must have completed a minimum of 12 months of service in their present position.
- Non-Store salaried associates must have completed a minimum of 18 months of service in their current position.
- Field salaried associates should have completed a minimum of 12 months of service in their current position.
- All associates must meet the minimum job qualification of the open position.
- Be in good standing — have an overall performance rating of "3" (solid performance) or higher on their most recent Performance Evaluation and not have received a Corrective Action in the past six (6) months.

See your manager or your Human Resources representative for further details.

For more information, please consult the Internal Transfers/Job Posting SOP.





Standards of Conduct

Circuit City has adopted certain policies to protect you, your fellow associates, and the Company. Failure to adhere to these policies could result in disciplinary action, up to and including termination from employment. This list is not all-inclusive, and the Company may take action at its discretion, to the extent that it believes is appropriate.

The actions listed below are examples of conduct that could subject an associate to disciplinary action, up to and including termination of employment.

1. The use, possession or distribution of illegal drugs or alcohol on Company property or time; or evidence of possession, use, or distribution of illegal substances at any time. Reporting to work with alcohol or illegal or illicit drugs in the associate's system.
2. Stealing, conspiring in or knowingly permitting the theft of property, including Company property as well as fellow associates' and customers' information, digital assets, and property.
3. Becoming involved in a serious social relationship with a supervisor/manager or a subordinate.
4. Unsatisfactory job performance, including insubordinate behavior and the refusal to perform job-related tasks.
5. Solicitation of one associate by another while either is working, as well as the distribution of non-work related materials in work areas, is prohibited at all times, unless the solicitation or materials relate to organizations supported by the company's Heart of the City program.
6. Making unwelcome sexual advances, requests for sexual favors, or any other verbal or physical conduct of a harassing or discriminating nature.
7. Carrying, concealing or storing weapons (firearms, handguns, knives, any explosive materials, or any other objects that can be used to threaten, harass, intimidate, cause injury or death of another individual) on any Circuit City property, including Company parking lots; threatening any Circuit City associate, competitor, vendor, or customer in any way.

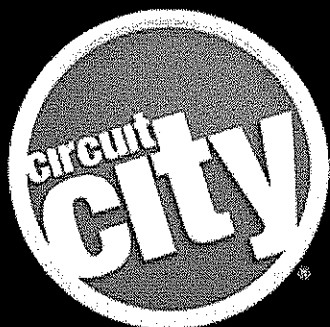




Standards of Conduct

8. Engaging in securities transactions on the basis of information not available to the general public and which, if known to outsiders, might affect their investment decisions.
9. Failure to follow the "Code of Safe Practices," including the procedure for reporting workplace accidents.
10. Failure to follow the Standard Operating Policies (SOPs) located on Circuit City's Intranet, ccity.com.
11. Refusal to cooperate in a Company investigation of a Company-related issue, which includes misrepresenting or omitting relevant information.
12. Misappropriation of Company merchandise or other property, including information.
13. Refusal to voluntarily allow management to search desks, workstations, lockers or motor vehicles (if on Company property), and carryalls including, but not limited to, purses, briefcases, backpacks and/or parcels transported by an associate coming to or from work.
14. Making unauthorized video or audio recordings of activities of one or more fellow associates, unless all associates being recorded are aware of and have consented to the recording. Exceptions to this policy are made for Asset Protection, authorized investigations, and quality assurance programs as allowed by law.
15. Inappropriate use of access cards, codes and passwords.
16. Misrepresenting or omission of time worked or worked performed.
17. Excessive unexcused tardiness or absenteeism. If absent from work for three consecutively scheduled workdays and failing to contact your direct manager or another manager (if direct manager is not available). Absence for three consecutively scheduled workdays without notification is defined as "job abandonment." In cases of "job abandonment" the Company considers the associate to have voluntarily resigned his or her position with Circuit City Stores, Inc.





Standards of Conduct

18. Smoking in nonsmoking areas.
19. Violation of the Company Digital Information Data Services (D.I.D.S.) SOP.
20. Unauthorized use, distribution, or removal of Company information, which includes personal use of customer information.
21. Failing to treat associates, vendors, competitors, or customers with respect.
22. Offensive conduct, including rudeness, when working with fellow associates, customers, business guests or competitors.
23. Engaging in horseplay, disorderly conduct, malicious behavior, or violation of common sense safety rules.
24. Removing or defacing notices on Company bulletin boards or abusing or destroying Company property.
25. Disparaging the Company or fellow associates.
26. Demonstrating misconduct which violates the Equal Employment Opportunity laws or acts of retaliation which violate the law or Company policy.
27. Falsification of Company documents.
28. Violations of any other practice or procedure announced by the Company.





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